

Amendment No. 1 to SJR0088

Person, Curtis
Signature of Sponsor

AMEND Senate Joint Resolution No. 88*

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

by deleting all language after the caption and by substituting instead the following:

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED THIRD
GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF
REPRESENTATIVES CONCURRING, that a majority of all the members of each house
concurring, as shown by the yeas and nays entered on their journals, that it is proposed
that Article II, Section 24, of the Constitution of Tennessee be amended by deleting the
following paragraph:

In no year shall the rate of growth of appropriations from state tax
revenues exceed the estimated rate of growth of the state's economy as
determined by law. No appropriation in excess of this limitation shall be made
unless the General Assembly shall, by law containing no other subject matter, set
forth the dollar amount and the rate by which the limit will be exceeded.

and by substituting instead the following paragraphs:

In no fiscal year shall expenditures of state tax revenues exceed the
Tennessee TABOR cap, unless a TABOR cap exception is duly authorized as
follows during the twelve-month period immediately preceding such fiscal year:

(1) Each house of the General Assembly enacts, by a two-thirds
majority of its total membership, a law containing no other subject matter
and specifying the dollar amount and the rate by which the Tennessee
TABOR cap may be exceeded; or

(2) A majority of voters participating in a statewide referendum
approve the dollar amount and the rate by which the Tennessee TABOR
cap may be exceeded.

All state tax revenue collections, in excess of the Tennessee TABOR cap and
any duly authorized TABOR cap exception must be deposited in the TABOR

Reserve for Revenue Fluctuations until or unless the TABOR reserve account equals more than seven percent of estimated state tax revenue expenditures for the fiscal year. All such excess revenue collections not deposited in such reserve account must be returned to taxpayers through refunds or tax rate reductions, as provided by law, within twelve months of the close of the fiscal year. Under no circumstances, do the provisions of this paragraph in any way permit deficit spending as prohibited by the preceding paragraph of this Section. As used in this paragraph, the term "*Tennessee TABOR cap*" means the total state tax revenue expenditures for the fiscal year in which this amendment is ratified plus the estimated rate of growth of the state's economy, as defined by law, for each fiscal year following ratification of this amendment plus the amount of any duly authorized TABOR cap exceptions.

Any law imposing a new state tax or increasing the rate of any existing state tax must be approved in advance of implementation by a majority of voters participating in a statewide referendum, unless the fiscal impact of the law will be revenue neutral relative to overall state tax revenue collections. Upon expiration of any temporary tax rate reduction utilized to effectuate the return of state tax revenue collections in excess of the Tennessee TABOR Cap, reversion to previously imposed tax rates does not constitute a tax rate increase for purposes of this paragraph.

On the books and records of the state treasury, there shall be a reserve account in the general fund to be known as the TABOR Reserve for Revenue Fluctuations. Each year, the governor shall include in the budget document and corresponding general appropriations bill an amount to be allocated to the TABOR Reserve for Revenue Fluctuations at least equal to ten percent of the estimated growth in state tax revenue expenditures for the fiscal year. Such allocation shall be annually included in the budget until the TABOR reserve account equals at least seven percent of estimated state tax revenue expenditures for the fiscal year. In subsequent budgets, the governor shall

include an allocation to the TABOR reserve account at least equal to the lesser of:

- (1) An amount equal to ten percent of estimated growth in state tax revenue expenditures; or
- (2) An amount sufficient to maintain the TABOR reserve account at seven percent of the estimated state tax revenue appropriations for the fiscal year.

Funds deposited within the TABOR Reserve for Revenue Fluctuations do not constitute state tax revenue expenditures for purposes of the Tennessee TABOR Cap; however, funds withdrawn from the TABOR reserve account shall constitute state tax revenue expenditures for purposes of the Tennessee TABOR cap.

BE IT FURTHER RESOLVED, that a majority of all the members of each house concurring, as shown by the yeas and nays entered on their journals, that it is proposed that Article II, Section 24, of the Constitution of Tennessee be further amended by deleting the following paragraph:

No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.

and by substituting instead the following paragraph:

No law of general application shall impose increased expenditure requirements on cities or counties unless, within such law, the General Assembly provides that the state will share in the cost and specifies the portion of the state share.

BE IT FURTHER RESOLVED, that the foregoing amendment be referred to the One Hundred Fourth General Assembly and that this resolution proposing such amendment be published by the Secretary of State in accordance with Article XI, Section 3, of the Constitution of Tennessee.

BE IT FURTHER RESOLVED, that the clerk of the senate is directed to deliver a copy of this resolution to the Secretary of State.